

OGC HAS REVIEWED.

17 December 1951

MEMORANDUM FOR THE RECORD

SUBJECT: Dual Compensation ✓
Consultants

1. Mr. Carl Friend, GAO, called me Friday morning, December 14, and said that Mr. Skora, Legal Office, State Department, had called his office regarding the [] decision. Mr. Skora advised them that I had given him the [] decision and that he wanted to check with GAO as to whether that decision should be applicable to the case of a retired foreign service officer.

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2. I had talked to Mr. Skora about the [] decision before I had discussed it with Mr. Friend and Mr. Montgomery at GAO and before we were aware that GAO was trying to keep the [] decision from other agencies. I assured Mr. Friend that there was no intent to betray his trust but that the decision had been discussed and given to State before we were aware that they wanted to limit the distribution.

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3. Mr. Friend again repeated that they felt that "we went pretty far on that thing" and that they are afraid that from many agencies the decision will be an open inducement to subterfuge. It is GAO's belief that "we personally think they are hiring too many consultants already." Mr. Friend said that he will recommend to Skora that they hold off applying the [] decision on foreign service personnel until the decision we submitted on foreign service officers is made. Mr. Friend is working on that decision at the present time.

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4. It appears that for the present at least we should advise [] that his ability to draw annuity on the days he is working or employed as a consultant on a fee basis is not as clear as we hoped it would be before Mr. Skora contacted GAO.

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